

VZCZCXRO6148
PP RUEHCD RUEHGA RUEHGD RUEHHA RUEHHO RUEHMC RUEHQU RUEHTM RUEHVC
DE RUEHBU #1176/01 1441438
ZNY CCCCC ZZH
P 241438Z MAY 06
FM AMEMBASSY BUENOS AIRES
TO RUEHC/SECSTATE WASHDC PRIORITY 4646
INFO RUEAIIA/CIA WASHDC PRIORITY
RUEKJCS/CJCS WASHDC PRIORITY
RUEHNA/DEA WASHDC PRIORITY
RUEAWJA/DEPT OF JUSTICE WASHDC PRIORITY
RUEHC/DEPT OF LABOR WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RUCNMRC/WESTERN HEMISPHERIC AFFAIRS DIPL POSTS

C O N F I D E N T I A L SECTION 01 OF 03 BUENOS AIRES 001176

SIPDIS

SIPDIS

STATE FOR WHA TOM SHANNON, JOHN MAISTO, AND CHARLES SHAPIRO
NSC FOR DAN FISK
TREASURY FOR DAS NANCY LEE
USCINCSO FOR POLAD

E.O. 12958: DECL: 04/13/2016

TAGS: [PGOV](#) [PHUM](#) [PREL](#) [AR](#)

SUBJECT: ARGENTINA: KIRCHNER INTERVIEWS LIKELY WARM-UP FOR
MAY 25 SPEECH

REF: BUENOS AIRES 01090

Classified By: Ambassador Lino Gutierrez for Reasons 1.4 (B) and (D).

¶1. (C) SUMMARY: President Kirchner recently gave extensive newspaper interviews that likely presage his speech at the huge rally planned in the central square of Buenos Aires on May 25 to commemorate Revolution Day and the third anniversary of Kirchner assuming the presidency. Kirchner's interview comments focused on his administration's accomplishments, avoided talk on reelection, appealed to minority party leaders to join his movement, and struck a critical tone on many international issues. Kirchner called for a "concertacion" alliance -- along the lines of Chile, but without criticism of Kirchner's policies -- that would incorporate other political elements. President Kirchner extolled regional unity, even while maintaining Argentina's position against Uruguay in the paper mill crisis. Kirchner was critical of U.S. trade policy and lack of focus on the region. President Kirchner said that the U.S. had not pressured him "to limit the influence of Chavez in the region," although he acknowledged that U.S. officials had expressed their concern about Chavez to him. END SUMMARY.

¶2. (SBU) On May 21, the circulation-leading daily Clarin and the GOA-aligned Pagina 12 published extensive interviews with President Nestor Kirchner that likely foreshadow Kirchner's speech at the upcoming massive rally planned in the central square of Buenos Aires to celebrate Revolution Day and Kirchner's third anniversary of assuming power. (Note: The daily of record, La Nacion, also requested an interview with President Kirchner, but was denied. Kirchner and his leading ministers have often criticized La Nacion in the past year for being too critical of Kirchner and GOA policy. End Note.) GOA organizers are expecting a crowd of nearly 200,000 to fill the central Plaza de Mayo on May 25 as part of a national celebration that will include a speech from President Kirchner as its highlight.

¶3. (SBU) In the interviews Kirchner highlighted his administration's accomplishments, avoided talk on reelection, appealed to minority party leaders to join his movement, and struck a critical tone on many international issues. Kirchner underscored a long list of accomplishments during

his administration -- the high GDP growth rates over the past three years, the 30 percentage point reduction in poverty, the sizable reduction in unemployment, the successful renegotiation of private sector debt, the payoff of the IMF debt and the large budget surplus he has been able to maintain. Kirchner defended his unorthodox economic policies, such as price controls and the export ban on beef. Kirchner argued that such methods have been successful in keeping inflation manageable and called for more aggressive implementation of the price controls.

14. (SBU) Kirchner used the opportunity to deny many rumors regarding major announcements for the May 25th event. Kirchner denied that he would announce his reelection, nationalize the privatized oil company Repsol-YPF, or announce his main candidates for the 2007 elections. He even quipped that his wife, Senator Cristina Fernandez de Kirchner, would make an excellent President, who could be counted on to outpoll him. (Comment: Many POL contacts have said that Kirchner will likely take the opportunity to make some minor to medium policy announcements, such as raising the minimum wage, reforming the national education law, or doing something with the retirement system. The possibility always exists that Kirchner will make a surprise big announcement, but for now, Kirchner is trying to lower expectations that this will happen. End Comment.)

15. (C) Kirchner called for a "concertacion" alliance, along the lines of Chile, that would incorporate other political elements, especially the largest opposition party, the Radical Civic Union (UCR). Kirchner noted that many former and current members of the UCR, Frepaso, former opposition Peronists and the Socialist Party are already working with

BUENOS AIR 00001176 002 OF 003

his Victory Front (FPV). (Comment: It is clear from President Kirchner's comments during the interview in support of the recent removal of Diputada Maria del Carmen Alarcon from the presidency of the Lower House Agriculture Committee due to her opposition of the GOA's beef export ban (See Reftel) that Kirchner does not envision this alliance as one that incorporates policy viewpoints that differ from his own. End Comment.) Former President Raul Alfonsin is reportedly scheduled to attend the May 25 rally with Kirchner and other UCR leaders are also reportedly considering joining Kirchner at the event.

16. (SBU) President Kirchner extolled regional unity, even while maintaining Argentina's position against Uruguay in the paper mill crisis. Kirchner predicted that Mercosur would be strengthened in the long run. Kirchner stood by Argentina's case before the Hague that the paper mill installation violated the Rio Uruguay Pact between the two nations. He said he "completely shared the position of the Argentine environmentalists" with regards to the paper mill crisis. At the same time, however, Kirchner said that the door was still open to further discussions with Uruguay and he refused to directly criticize Uruguayan President Tabare Vasquez when questioned by the interviewers.

17. (C) Kirchner praised Venezuelan President Hugo Chavez as a "integrationist" and as someone who has done many "good gestures" for Argentina in the investment and energy areas, although he conceded that he had many obvious disagreements with the Venezuelan leader. Kirchner said he thought Chavez was working hard for the region's integration. (Comment: Kirchner's favorable comments on Chavez have to be seen in light of the fact that the GOV has been major purchaser of Argentine bonds and continually holds out the promise of helping Argentina to resolve its serious long-term energy shortages. End Comment.)

18. (C) In response to a question from leftist "Pagina 12," Kirchner was critical of U.S. trade policy and lack of focus on the region. Kirchner complained that U.S. free trade pacts were "unacceptable" in their current form -- alluding

to the Mercosur position that the FTAA is not workable unless the issue of U.S. agricultural subsidies is addressed. Kirchner held out the example of the European Union where a percentage of the regional GDP goes to an infrastructure development fund as an example of how the U.S. should be thinking in terms of a free trade agreement. Kirchner said that the U.S. "does not remember the region" and that this make regional integration much more difficult. Kirchner did add, however, that a more "integrated" U.S. would be a major benefit to the region. (Comment: Besides restating the Mercosur trade position, Kirchner's critical comments about the U.S. are a reflection of polls that show that Argentines have the most negative view of the United States of all democracies in the hemisphere. End Comment.)

19. (C) President Kirchner said that the U.S. and Brazil had not pressured him "to limit the influence of Chavez in the region," although he acknowledged that U.S. officials had expressed their concern about Chavez to him. (Comment: U.S. officials, from President Bush to the Ambassador and leading Embassy officials have all repeatedly stated our concerns to President Kirchner and his top advisors about Chavez and his policies at home and in the region. While we have not enlisted the GOA's support in "limiting the influence of Chavez" per se, we have repeatedly sought the GOA's help in moderating Chavez and his policies in Venezuela and the region. President Bush and the Ambassador's emphasis on Venezuela early in Kirchner's presidency prompted Kirchner to meet with the Venezuelan opposition twice and to press Chavez to hold a free and fair recall referendum. Venezuela is an issue we continue to raise at every opportunity with GOA officials. End Comment.)

Comment

BUENOS AIR 00001176 003 OF 003

10. (C) President Kirchner's May 21 press interviews can be seen as a dry run for many of the themes he will likely cover in his May 25 Plaza de Mayo speech. Kirchner will emphasize the many successes of his presidency, particularly in the economy. Although Kirchner seems likely to avoid mentioning his reelection in his speech, many are already calling May 25 the beginning of the 2007 election campaign. Kirchner will seek to ensure that non-Peronists are included in the event in order to further Kirchner's goal of drawing in opposition party elements into his FPV movement. In this vein, Kirchner said he will not speak from the balcony of the Casa Rosada, thereby avoiding the image of Juan and Evita Peron, who often spoke to the masses from the Casa Rosada balcony. Kirchner will also likely take a nationalistic tack on international issues, such as the Uruguay paper mill crisis.

GUTIERREZ